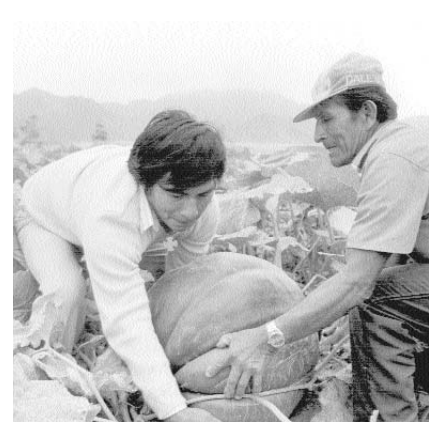
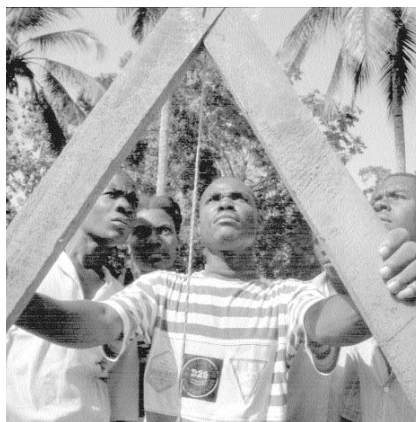
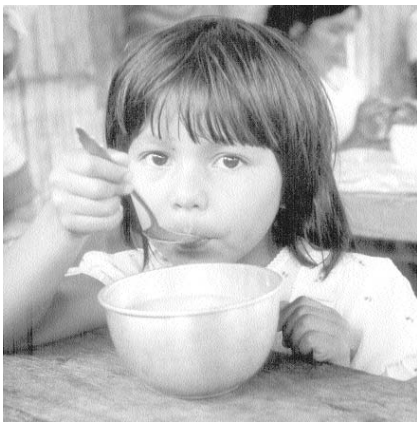




The Inter-American Foundation



Fiscal Year 1999 Active Grants Results Report

THE INTER-AMERICAN FOUNDATION

FISCAL YEAR 1999 ACTIVE GRANTS RESULTS REPORT

Prepared for the Office of Management and Budget in Compliance with the Government Performance and Results Act

EXECUTIVE SUMMARY

The results obtained in Fiscal Year 1999 indicate that the Inter-American Foundation grant program achieved its intended goals. Active projects reflect the IAF's mission and methodological approach to grassroots development, i.e., funding grassroots initiatives that lead to concrete, measurable results taking into consideration specific goals, operational styles, and innovative ideas of the various groups involved.

- The IAF's Fiscal Year 1999 established goal of improving the lives of 50,000 poor families in Latin America and the Caribbean was surpassed. Children comprised 54.5 percent of the beneficiary population and women accounted for 19 percent. Almost one-half of all grants awarded benefited families in rural areas.
- Beneficiaries of IAF grants acquired and applied skills in basic education (5,734 beneficiaries), vocational skills (24,130 beneficiaries), organizational management (17,727 beneficiaries), civic education/leadership (15,726 beneficiaries), marketing (2,042 beneficiaries), production techniques (10,684 beneficiaries) and resources conservation/environment (38,245 beneficiaries).
- IAF grants helped poor families satisfy basic needs such as nutrition (47,666 beneficiaries), housing (4,285 beneficiaries), health (76,793 beneficiaries), basic education (29,157 beneficiaries), electric power (5,961 beneficiaries) and sanitation (16,600 beneficiaries). Grants also generated jobs for 17,466 beneficiaries.
- The IAF assisted community groups to establish partnerships and mobilize resources from public and private local and international sources to support grassroots development. The IAF grantees leveraged over \$75 million in human, material, and financial resources.
- The IAF is committed to securing support for grassroots development in Latin America and the Caribbean from US-based and multinational corporations. It established partnerships with nine multinational corporations and mobilized over \$2 million in additional funds for grassroots development projects.

INTRODUCTION

This report summarizes the results of Inter-American Foundation (IAF) active grants in Fiscal Year 1999. The IAF provided over \$22.7 million in funding in sixteen countries in Latin America and the Caribbean¹, supporting 100 new grants and 19 grant supplements, each with a partnership of community-based groups, non-governmental organizations, and/or the public and private sector.

Starting with the first grant awarded in 1971, the IAF has helped poor people in Latin America and the Caribbean by supporting small-scale grassroots initiatives sponsored by community-level organizations or by grassroots support organizations offering professional expertise to poor communities. The IAF funds projects designed and implemented by beneficiaries themselves. This basic, fundamental strategy was expanded in the 1990s to include partnerships of community organizations, the public and/or private sector entities, which together mobilize local, national and international resources to improve the quality of life of poor people of the Western Hemisphere.

Unlike other U.S. Government foreign assistance agencies, the IAF neither channels its resources through governments, nor designs programs or projects for implementation in the region. Instead, it focuses on small-scale local projects that address the needs of poor people in a manner that enhances self-reliance. Projects are examined for potential sustainability and for generating concrete results that improve poor people's lives. This approach to foreign assistance, one founded on the values

of citizen participation, self-reliance, and working in partnerships to achieve change and greater equity, improves the quality of life of the poor in a tangible way.

This report documents results (outputs and outcomes) of projects approved in the fiscal years prior to or during the first half of Fiscal Year 1999 that were still active in Fiscal Year 1999. The IAF first presented grant results information in the Fiscal Year 1996 annual budget submission to the Office of Management and Budget. The current report, however, is the first that responds to the Government Performance Results Act (GPRA) of 1993, requiring all federal agencies, including the IAF, to document and report results of strategic plans and performance goals for the year.

Documenting the outputs and outcomes of grassroots grants in a tangible way has not been an easy undertaking. Anticipated outcomes of grassroots projects occur over a long period of time and many appear well after grants have expired. Additional challenges stem from grantees' diversity, grant size and duration, type of beneficiaries, and also from a broad array of project goals, activities, and locations. Heterogeneity of cultures, languages, and political contexts add complexity to attempts to standardize and subsequently generalize findings across Latin America and the Caribbean. In many instances, the IAF had to introduce for the first time to community-based organizations the notion of tracking results in a systematic way. Due to these factors, the IAF, initially, did not establish grantee reporting requirements, or kept those

¹ New Grants and grant supplements were awarded in Argentina, Bolivia, Brazil, Colombia, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, and Venezuela.

requirements to a minimum. Grantees continued to report what they considered relevant for managing their own projects rather than respond to a small set of indicators that addressed the IAF's strategic plan and GPRA reporting requirements.

Diverse reporting styles and prevalence of qualitative information made it impossible for IAF staff to aggregate grant results data in a meaningful way for statistical analysis and reporting purposes. Over three decades, the IAF often complemented project information by employing case study methodologies, single grant impact evaluations, and grant activity (input) monitoring to learn about the implementation and results of its grants.

In 1993, the Office of Learning and Dissemination began documenting IAF project results in a more systematic fashion. A methodology for monitoring and evaluation was defined, indicators of grant outputs and outcomes were designed through consultation with in-country experts, and an electronic repository of tangible and intangible grants results was created. Beginning in 1998, the IAF required grantees to report results using specific pre-determined data items related to grant goals and objectives, but it provided grantees the flexibility to include other indicators as well. A description of the IAF current methodology for grant monitoring and evaluation follows in the next section.



MONITORING AND EVALUATION METHODOLOGY

Grant Monitoring

To implement a comprehensive and results system for diverse grassroots development projects demands time, creative thinking, trial and error experimentation, and frequent modification and improvement. In 1993, the IAF began to design a grants results system. A working group comprised of IAF staff and in-country service contractors selected the results system indicators by examining the IAF experience over the past two decades. Indicators of results (both outputs and outcomes) had occurred in three distinct levels: individuals and families, organizations, and society at large. Results at each level could be grouped as either tangible or intangible in their expression. While tangible results are more palpable, intangible ones, such as leadership roles taken by women or heightened self-confidence, were acknowledged as vital factors that influence current and future development initiatives. The set of measures was tested initially in Costa Rica, the Dominican Republic, Ecuador, and Uruguay, and subsequently, in the rest of Latin America.

Based upon findings in the development and testing stage, a set of indicators was incorporated into the Grassroots Development Framework (GDF). The GDF is a menu of indicators used to document results of projects financed by the IAF. From the comprehensive indicator menu or list, the IAF designated a sub-set of indicators that best suited its strategic plan and performance goals. To this end, in 1998, the set of indicators that best fit each project's goals became a new reporting requirement that was added to the grant agreement executed between the IAF and grantee organizations.

In addition to periodic self-reporting by grantees at six month intervals beginning with the grant starting date, in-country contractors independently verify progress and results data reported by grantees through twice annual field visits. In-country contractors verify and revise, as needed, reported data items by reviewing grant objectives, conducting interviews with beneficiaries, partners, grant managers and technical staff, and visiting project operations. During the site visit, contractors also may suggest ways to improve data collection and reporting requirements. After the site visit, verified data are entered into an electronic file and forwarded to the IAF. IAF staff in the Research and Evaluation Unit (R&E) aggregate data by country and by project for analysis and presentation to the Board of Directors, Office of Management and Budget, Congressional oversight committees, and the IAF staff.

The 43 indicators of the Grassroots Development Framework drive the data collection and reporting requirements on grants results. This frame of reference is a unifying criterion for grant monitoring in culturally diverse contexts with many political and socioeconomic disparities. The IAF places paramount priority on the indicators that relate to the goals and objectives in the Annual Performance Plan for GPRA reports, such as income, employment, production, training, resources mobilized for project activities, and replication and dissemination of innovative techniques used in grassroots development. Each grant typically includes five to ten indicators for grant results data reporting. In addition, grantees also track such intangible indicators as changes in self-esteem, leadership skills, and organizational capacity for participatory decision-making and for project

planning and evaluation, which may be of particular relevance to local concerns. An IAF priority is to make steady improvements in the quality and reliability of the results data forwarded by grantees and contractors. To this end, a new step has been added in the data reporting sequence of events--data verification by Foundation Research and Evaluation Unit staff based on a sample of results reported by in-country contractors. In January 2000, staff traveled to the Dominican Republic, El Salvador, and Mexico to verify grants results data with 21 selected grantees, representing approximately ten percent of all active grants. These countries were selected for site visits because of their large active grant portfolios and a minimum of two submitted grant progress and results reports, as well as travel cost considerations. Grants awarded in Fiscal Year 1999 were excluded from the selection process because insufficient project results had been collected.

After reviewing grantees' files, including financial and programmatic reports, and conducting group interviews with beneficiaries and grant management staff, Research and Evaluation staff concluded that the visited grantees had, for the most part, reported grant results accurately. In the Dominican Republic and Mexico, grants results data items reported by grantees were verified against project documents and impromptu meetings with beneficiaries. Grantees have taken the reporting tasks seriously, dedicating time and resources to implement their own results collection system. In many cases, the data collection is used as a source of grantee learning, finding the results documentation process useful for assessing project performance, making adjustments, and finding timely solutions to problems. The errors detected with the data mostly were related to miscalculations or data entry.

In El Salvador, staff found that grantees had reported some inaccurate information. This was due to a misunderstanding of the type of information sought, a limited knowledge of the data collection and reporting system, and an oversight by the in-country service contractor to provide advice to improve the grantees' reporting capability. In one case, the in-country monitor had to make an independent assessment of grant results for one indicator because the grantee had not collected complete information. Another problem that surfaced was that the six-month intervals for grantee reporting to the IAF did not coincide with the in-country monitor's field visits; therefore, data reported by the grantee differed from that registered in grant files at the time of the Research and Evaluation staff visit. Also, it was observed that the sum of resources mobilized by the grantee ignored the indicator definition causing the inclusion of resources allocated to other projects but managed by the same grantee. These examples of errors encountered are orienting the re-design of the results system for implementation in Fiscal Years 2000 and beyond.

As noted above, improvements can be made in the IAF grants results collection system. Indicators and measures of grant outputs and outcomes need to be precise and defined with greater clarity for grantees. The proposed set of indicators that fit the objectives in the project proposal need to be reviewed with the project proponent prior to grant approval to ensure that both the grantees and the IAF understand and concur with the final project objectives and proposed results indicators. Both grantees and in-country monitors need to expand their commitment to the reporting requirements, and some grantees need to enhance their capacity to gather and report quality data. In Fiscal Year 2000, the IAF will update the data collection instrument and the



Business, NGO and government leaders visit a daycare facility in Chihuahua, Mexico, which is supported by TRW Corporation and the Ministry of Education.

Evaluation

To complement the monitoring of its grants, the IAF periodically performs in-depth evaluations. In Fiscal Year 2000, the IAF has contracted the Education Development Center (EDC) of Newton, Massachusetts, a non-profit organization with 41 years of experience in development project evaluation, to conduct an in-depth analysis of the IAF's strategy to promote grassroots development by encouraging partnerships among community-based

electronic database, creating a repository of information with the capability of data analyses on trends and factors that determine the success or failure of projects, in addition to providing data to satisfy GPRA reporting requirements.

An operational change introduced in Fiscal Year 1999 is for in-country service contractors to focus exclusively on grants results and learning tasks. As part of their services, each in-country service contractor submits to the IAF five sustainability case studies and five grant profiles annually. The partnership profiles are used by IAF staff to formulate hypotheses about partnerships and as the basis for commissioning independent evaluation studies as described in the next section of this report. Similarly, studies of sustainability are being used to document and understand what works, or does not work, in the field of grassroots development.

organizations, non-governmental organizations, government at all levels, and the private sector. A three-member team of experts on partnership methodology and private sector participation in grassroots development will be studying twelve projects in Mexico, El Salvador, Dominican Republic, Peru, and Bolivia. Lessons learned from the evaluation will be incorporated into grants program decision-making, and will provide material for disseminating good practices to development practitioners. Among other products, EDC will produce a report highlighting private sector participation in grassroots development in the five countries and the impact of their participation toward improving the quality of life of the poor.

THE INTER-AMERICAN FOUNDATION FUNDING PRIORITY FOR FISCAL YEAR 1999

Goals

The Inter-American Foundation, through social investment, promotes and advances the concept and value of philanthropy, social responsibility and investment by the corporate community, and other forms of resource mobilization initiatives that expand the flow of resources to support grassroots development. In Fiscal Year 1999, the IAF focused its funding priorities to include the following objectives:

Objective one: to support local development programs

The IAF will support programs that validate and demonstrate the effectiveness of its grassroots development methodology: partnerships of non-governmental organizations and the public and private sectors working together to mobilize and focus resources and efforts on activities and projects that improve the quality of life of the poor. Specific objectives are as follows:

- To award grants supporting 94 new partnerships.
- New partnerships will design and implement 475 projects.
- Partnerships will mobilize \$6 million in cash counterpart resources for local development projects.
- 50,000 low-income families will improve their quality of life as measured by increased income, increased access to basic services such as, but not limited to, health, education, housing, credit, vocational training, potable water and environmental sanitation.

Objective two: to support social investment initiatives

The IAF will support programs or activities that promote and advance, in Latin America and the Caribbean, the concept and value of philanthropy, social responsibility, and investment by the corporate community, and other forms of resource mobilization initiatives that expand the flow of resources to support social and economic development. Specific objectives are as follows:

- Establish 15 partnerships or joint ventures with national, private sector entities of the host country.
- Establish six partnerships or joint ventures with U.S.-based corporations.
- Partnerships or joint ventures established with national private sector entities of the host country will invest \$5.25 million in grassroots development.
- Partnerships or joint ventures established with U.S.-based corporations will generate a minimum of \$3.0 million in resources for grassroots development and will match the IAF's contributions on at least a dollar-for-dollar basis.

Before the grant results achieved in Fiscal Year 1999 are described, some contextual factors that may have affected IAF-supported projects are discussed.

CONTEXTUAL FACTORS

The contextual conditions in the countries where the IAF operates can affect the results of the IAF supported projects. In 1999, these conditions ranged from economic fluctuations to political changes to natural disasters. Such unanticipated exogenous factors beyond beneficiaries or grantees' control at the local, national and international level, had the potential to propel or derail grassroots development projects in communities generally excluded from mainstream economic and social opportunities. The following are examples of these exogenous factors.

Inflation

High inflation rates in Ecuador (60%), Venezuela (20%), Brazil (19%), and Mexico (12%) in 1999² eroded the purchasing power of poor populations in these countries, especially for those living at the margins of society. High inflation also caused higher loan default rates. In Ecuador, for example, over one-half of all private banks failed and some non-governmental organizations lost their deposits. In Brazil, the devaluation of its currency caused gas and transportation prices to increase dramatically, thereby affecting some IAF funded projects.

Trade

Tumbling of commodity export prices affected some grants' export initiatives in 1999. For example, lower international coffee prices reduced anticipated income among small-scale coffee growers, including some of the IAF grantees. On the contrary, increased tariffs in the European Union reduced markets for bananas from Central America.

Elections

An election often produces changes in governing political parties, changes in elected and appointed government officials, and thus changes in public policies. These changes sometimes strengthen or impede the success of local development projects. In 1999, local elections for all municipal governments were held in Bolivia, presidential elections were held in El Salvador, and national elections for the president, legislature and municipal governments were held in Argentina, Guatemala, and Panama. As a result, local and national government support for community-government partnerships in these countries may be affected in the future.

Natural Disasters

Devastating rains, floods and mudslides in December 1999 killed tens of thousands of people, displaced tens of thousands more, and destroyed local communities in the coastal states of Venezuela. These floods damaged the crop production and fish harvesting capacity of three IAF-supported projects, and another ten projects experienced food-related problems caused by flooding. In Ecuador, the eruption of two volcanoes in the Quito and Rio Bamba areas damaged agricultural production of small-scale farmers supported by the IAF. In Bolivia and Peru, the weather phenomena known as El Niño and La Niña produced severe flooding in Peru's coastal areas and significant droughts in the highlands of the two countries, negatively impacting their agricultural production. In 1999, the IAF provided six grant amendments in the Dominican Republic, six in Honduras, and one in Haiti to assist grantees to recover

² *Latin American Report*, 25 January 2000, WR-00-04, page 46.

from damages caused by Hurricanes Georges and Mitch in 1998.

Crime and Violence

According to a study conducted in 1999 by the Pan American Health Organization (PAHO), 30.6 percent of the surveyed population in Caracas (Venezuela) and 38.5 percent in San Salvador (El Salvador) reported they were victimized by crime in the previous 12 months. Grassroots development projects were affected by these acts of violence. For

example, some micro-credit programs among low-income communities took measures to protect their local offices from robberies. In addition, the illicit drug business and its corresponding violence penetrated specific geographical areas in countries where the IAF operates (e.g., Colombia), changing the development context in these areas. For example, threats, kidnappings, and killings of community leaders have interrupted grassroots development efforts within poor communities.



RESULTS ACHIEVED IN FISCAL YEAR 1999

Since the inception of program activities in 1971, the IAF has provided over \$503 million in funding to 4,260 projects that were self-started and implemented by some 3,000 community and non-governmental organizations. During Fiscal Year 1999, the

that lead to concrete, measurable results taking into consideration specific goals, operational styles, and innovative ideas of the various groups involved. In Fiscal Year 1999, active grants benefited well over 50,000 poor families³. Children comprised 54.5 percent of



IAF's budget totaled \$22.7 million (\$10.8 million in Congressional appropriations and \$11.9 million from the Social Progress Trust Fund). These funds were used to support 100 new projects and to supplement 19 ongoing projects, the majority affected by natural disasters. Throughout this section, six ongoing grants are profiled to illustrate the types of projects and results.

Characteristics of the Inter-American Foundation Grants Portfolio in Fiscal Year 1999

Active projects reflect the IAF's mission and methodological approach to grassroots development; i.e., funding grassroots initiatives

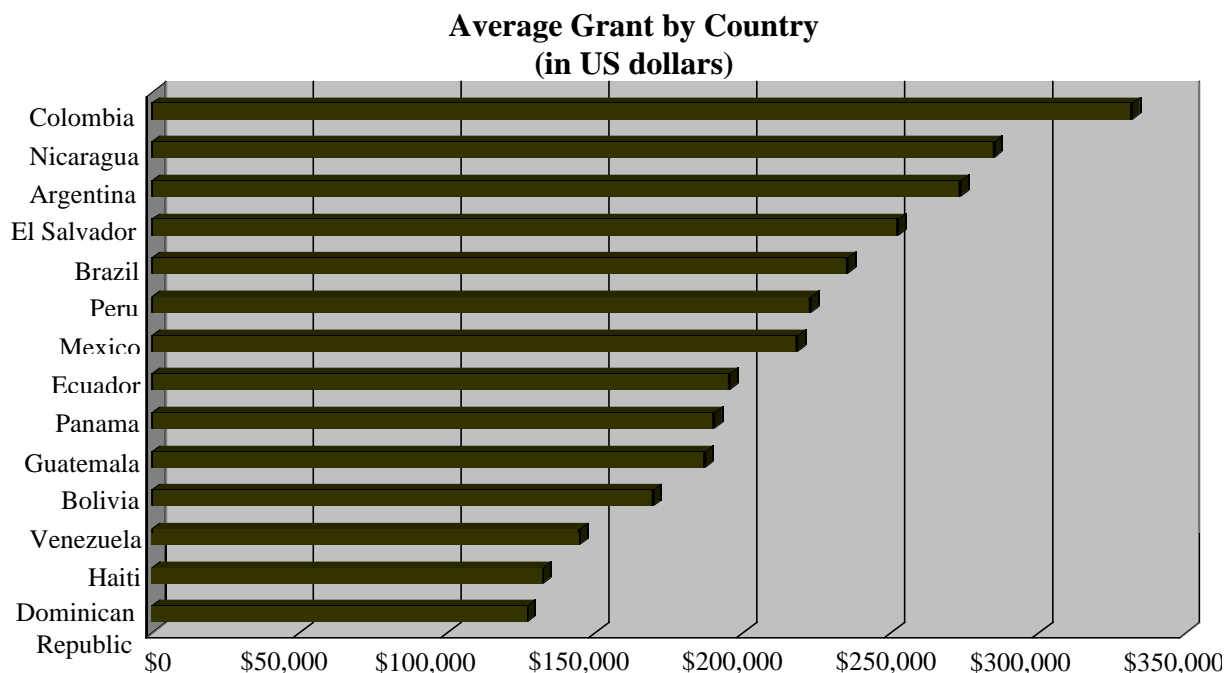
the beneficiary population, and women accounted for 19 percent⁴.

According to survey results, the average duration of an IAF grant in Fiscal Year 1999 was two and two-thirds years. Sixty-eight percent of the grants had a duration of three or more years, 29 percent were carried out within two years, and three percent had a duration of one year or less. The average IAF grant in Fiscal Year 1999 was slightly over \$200,000 for a two-year period. The average grant fluctuated by country, from \$126,894 in the Dominican Republic to \$331,596 in Colombia (see chart on page 11).

³ This report is based on reports from 139 grants, which benefited an estimated 328,933 persons or 65,786 families. The number of families was estimated by adding the number of individuals who acquired skills and knowledge plus those who received base services, totaling 328,933 beneficiaries, and dividing 328,933 by an average of five persons per family.

⁴ Research and Evaluation staff conducted a survey on two-thirds of the active grants on Fiscal Year 1999. Honduras was excluded from the survey because it did not have an in-country service (ICS) contractor to implement the survey. Grants with no partnerships were also excluded, since the survey's primary objective was to collect partnership-related information for the next issue of the Research and Evaluation *Measuring Impact Bulletin*.

The table below illustrates primary activity areas of IAF-funded projects.



It should be noted that grants could cover more than one area, and thus the figures do not total 100 percent. In fact, 59 percent of the grants covered two or more thematic areas. The majority of the grants were awarded to support education (47%), agriculture (46%),

and micro-enterprise activities (43%). Almost one-half of all grants were awarded to support activities in rural areas, slightly over one-fourth supported projects in urban areas, and the remaining grants were carried out in both rural and urban areas.

Table 1. Areas of Funding

Areas of Funding	Percent
Agriculture	46.0
Education	47.0
Environment	34.0
Health	21.0
Housing	7.0
Micro-enterprise	43.0
Others (i.e., justice, tourism, industrial, etc.)	27.0

Example 1. Processing and Marketing Organically Grown Vegetables in El Salvador (PROXSAL)

PROXSAL is an agricultural marketing cooperative composed of 14 active members, including 11 agricultural production cooperatives, a technical assistance organization, and an agro-processing company. Membership requirements include the organization's dedication to agricultural production, processing, and marketing, or recommendation from two current members. A five-member board of directors governs PROXSAL.

PROXSAL achieves results

With the IAF's three-year funding, PROXSAL achieved its expected goals. It built a network of buyers in the metropolitan area of San Salvador, including the major hotels, restaurants, and supermarkets of San Salvador. Biweekly, PROXSAL delivers organically grown products such as lettuce, cabbage, baby carrots, spring onions, and other vegetables to these establishments. Project results include:

Income

Small-scale growers' income has increased by promoting year-round planting and harvesting practices. Cooperative earnings also have increased by opening new markets for organically grown vegetables. A share of the vegetable sales proceeds goes to cooperative members.

Employment

Thirty women work at the packing plant. These young women working in the plant were either unemployed or working in the fields for wages two-thirds below what they are currently earning.



Women working at the vegetable packing facility at Los Planos.

Sixty agricultural workers work in vegetable production.

Six employees work in distribution and sales.

Facilities and equipment

A packing plant was built with a refrigerated area.

A greenhouse was constructed and is being used to grow 12,000 seedlings per week using organic production techniques.

A computerized system was installed for bookkeeping purposes.

Knowledge and skills

Packing plant staff acquired and applied crop-processing techniques.

Packing plant supervisors acquired and applied computer skills to bookkeeping.

Vegetable growers acquired and applied organic farming practices in their farms.

The following benefits are unexpected project results:

- Health conditions of packing plant workers improved by undergoing regular medical checkups as part of employment requirements.
- Small stores and "pupuserías" (a traditional food stand) sprouted near the packing facilities, creating additional jobs and income for people in the community.
- Electric power was installed in community homes as a result of bringing electric power to the packing plant.

Replication and resources mobilized

Over the last two years, PROEXSAL has received attention from national and international organizations for its efforts in helping small-scale growers market their production. Ministry of Agriculture and Ministry of Planning officials, local government authorities, the U.S. ambassador, USAID officials, USAID contractors, OXFAM America staff, Austrian Cooperation Agency officials, and the Inter-American Development Bank (IDB) representatives visited the vegetable processing plant at Los Planos. IDB officials, impressed by project results, awarded PROEXSAL a grant for \$600,000 to replicate

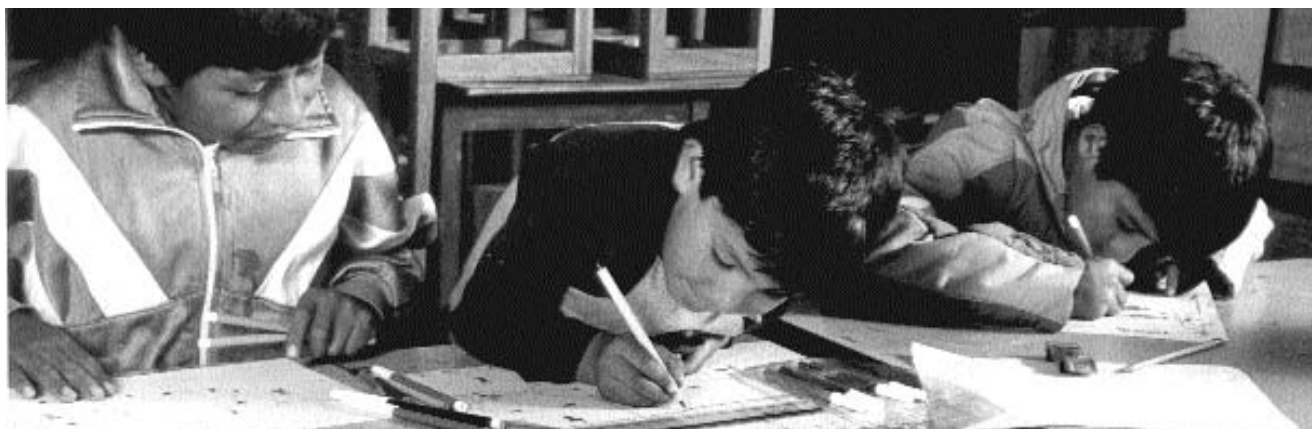
the Los Planos experience in other communities in the country.

PROEXSAL is recognized

On December 1, 1999, PROEXSAL received the 1999 "Premio Nacional del Medio Ambiente" (National Environment Award) from the Ministry of Environment for its promotion of organically grown vegetables and fruit and its contribution to ecological sound farming practices.

PROEXSAL's future is assured

PROEXSAL has identified and opened new markets for organically grown vegetables and is expanding operations to include processing and marketing of organically grown fruits. It is training, for a fee, supermarket chain employees on the proper handling of fresh produce. PROEXSAL's management know-how is being transferred to Los Planos cooperative members, who already are managing the processing plant facility, and soon will be taking over the quality control phase of the operation, thus, keeping in-house 100 percent of all earnings. PROEXSAL's membership has increased from 11 to 14. In addition, cooperative members who run the greenhouse are seeing an increase in their sale of seedlings as new local farmers adopt organic farming practices.



The Inter-American Foundation Grants Program

The results obtained in Fiscal Year 1999 indicate that the IAF grants program achieved its intended goals. It supported 103 new initiatives of community organizations working in tandem with local private and/or public sector entities, compared to the established goal of 94 initiatives. To the IAF, partnerships are formal and/or legal relationships that grantee organizations establish with other organizations or groups to achieve common objectives. They involve pooling of resources--whether financial, material and/or human--to carry out activities that benefit the project target group. The need to optimize scarce resources is combined with the realization that no one organization, nor sector of society, has the wherewithal to solve every local development issue alone. This realization has stimulated an increasing effort among key players to establish partnerships, not only within their sector but also across sectors (business, government, and civil society). Partnerships could consist of several players ranging from national or international private and/or public organizations to local government and businesses.

As the following sections indicate, active grants improved the lives of substantially more than the established goal of 50,000 poor

families (see footnote 3). The goal to mobilize \$6.0 million in cash counterpart resources from local public and private sector funds to increase the resources available for grassroots development efforts also was accomplished fully. The following are concrete results obtained by the IAF grants program.

Beneficiaries acquired knowledge and skills to improve their living conditions

During Fiscal Year 1999, the total number of beneficiaries receiving training reached 140,489. Most training fell into ten broad categories such as basic education, vocational skills, organizational management, civic education and leadership, credit and financial management, health and sanitation, marketing, production techniques, resource conservation and environment, and other skills (i.e., civil rights, culture, organization, etc.). The most frequently taught skills were in the area of resource conservation and environmental issues with 38,245 persons receiving training in Fiscal Year 1999. Vocational skills came in second in frequency with 24,130 persons trained, followed by organizational management (primarily administrative skills and project development and implementation) with 17,727 participants, and civic education and leadership with 15,726 persons.



The table below indicates the number of beneficiaries receiving training as a result of grant activities.

Table 2. Knowledge and Skills

Type of Skill/Knowledge	Number of Beneficiaries ⁵
Basic education	5,734
Civic education and leadership	15,726
Credit and financial management	5,655
Health and sanitation	5,761
Marketing	2,042
Organizational management	17,727
Production techniques	10,684
Resource conservation and environment	38,245
Vocational skills	24,130
Other skills (cultural, organization, civil rights & crafts)	14,785

Example 2. *Fundación Institucionalidad y Justicia (FINJUS) in the Dominican Republic*

FINJUS is a private, non-profit association incorporated in 1990 to strengthen Dominican Republic legal institutions by facilitating economic development and social justice. Its mission is to seek the institutionalization of democracy, guarantee respect for fundamental human rights, and foster an environment conducive to free enterprise. **FINJUS** is managed by a board of directors composed of 10 leading businessmen and lawyers elected for a two-year term. Project activities funded by the IAF include training of community leaders and key individuals in legal, business, and public policy positions, who in turn provide improved legal services for low-income individuals in marginal neighborhoods of three cities. Residents of these communities work in the neighborhoods and live in crowded conditions. Residents in these neighborhoods are not unified in finding solutions to community problems, women and child abuse levels are high, and people are unaware of their rights regarding, for example, police treatment and family violence.

FINJUS mobilizes resources

FINJUS is mobilizing resources from local and national businesses to continue funding project activities. In community meetings, residents identify businesses in the communities. **FINJUS** then formally solicits resources for project activities. Thus far, *Banco Dominicano Popular* and *E. León Jimenes* contributed \$41,000 in cash, and over \$10,000 in equipment. Similarly, **FINJUS** is working with public institutions such as the police, the Public Ministry, and the Central Electoral Board to gain support for project activities.

FINJUS achieves results

In less than one year of operation, **FINJUS** achieved the following:

- 457 community leaders and public servants received training through workshops on four topics: victims' rights, consumers' rights for public services, women and children's rights, and defendants' rights.

- 210 out of 457 trained leaders applied knowledge and skills acquired through project training and reached 686 members of community organizations. They facilitated discussions on human rights and served as sources of information for neighbors.
- FINJUS's work resulted in the assignment of a legal advisor to interact between judicial institutions and neighborhood groups in Santo Domingo.
- \$41,000 for financial support of project activities and \$10,000 for computers and human resources were mobilized from private businesses.
- 516 organizations, including neighborhood boards and student groups in three cities, are participating in the Justice and Citizenship Network created by FINJUS.
- The Institute of Democracy and Justice already is replicating project practices, reaching 300 Haitian group leaders. FINJUS already has established international linkages with similar institutions in Haiti and other countries.
- Four books on human rights, a bulletin on Justice and Citizenship, and two videos, one a sociodrama on victims' rights and one showing the results of a workshop, were produced. The material developed for the workshop is being used by seven grassroots organizations for their training.

Expected results at the end of the project

- A total of 500 community leaders will complete training through workshops.

- A total of 7,000 neighborhood residents will have complete access to information generated by FINJUS.

Poor families received services to satisfy basic needs

Basic needs include nutrition (improved diet), housing (construction or improvement of houses), basic education (literacy, introductory vocational skills, etc.), medical attention (preventive or curative medicine), utilities (potable water, sewage, solid waste collection, and electricity), and environment related issues.

In Fiscal Year 1999, 47,666 persons improved their diet or nutritional level as a result of grant activities. Almost two-thirds of the beneficiaries were in Ecuador, one-fifth in Mexico, slightly more than one-tenth in Argentina, and the remainder of the beneficiaries resided in four other countries.

A significant number (76,793 persons) received medical attention in Fiscal Year 1999 through IAF-supported projects. Most of those receiving some type of preventive or curative medical attention were in Panama (43,387 or 56% of the total number of beneficiaries). Ecuador followed with 9,871 beneficiaries (13% of the total), and El Salvador with 5,564 beneficiaries (7% of the total).

The number of persons receiving basic education courses ascended to 29,157. Little over half of those attending basic education courses were in Panama. The Dominican Republic was second with 9,207 beneficiaries or almost one-third of the total.

The following table indicates the type of services provided to satisfy basic needs and the number of beneficiaries affected.

Table 3. Basic Services

Type of Services	Number of Beneficiaries
Basic education	29,157
Diet/nutrition	47,666
Electric power	7,982
Health	76,793
Housing/habitat	4,285
Potable water	5,961
Sanitation/latrines	16,600

Example 3. Sustainable Waste Management Project in El Salvador: *Centro Salvadoreño de Tecnología Apropiable (CESTA)*

Centro Salvadoreño de Tecnología Apropiable (CESTA) is an association of Salvadoran professionals founded in 1980 to promote ecological sustainable development through the use of appropriate technology. The IAF grant builds on the success of a two-year experiment CESTA carried out in the La Cruz

CESTA is changing people's attitudes towards waste disposal practices

CESTA organized neighborhood environmental groups and trained them on how to separate garbage into organic and inorganic waste material. The organic waste is later composted



Compost produced from organic waste collected in the La Cruz neighborhood of Suchitoto.

neighborhood, one of six barrios in the municipality of Suchitoto. The experiment consisted of educating people in waste disposal practices, separating households' organic waste from the rest of the garbage, hauling it away, and making compost. The experimental project worked so well that CESTA, in partnership with municipal authorities, is presently expanding the collection and disposal of solid waste to the remaining five neighborhoods.

and sold as organic fertilizer to farmers and gardeners. Thus far, 525 households have been trained on proper waste disposal practices (150 households in La Cruz, and 375 in the Calvario and Santa Lucía neighborhoods). CESTA also mounted a public awareness campaign using a local radio station to air messages highlighting the importance to the community of participating in the program. The broadcasting of the radio messages has been accompanied by distribution of posters and instructional material to neighborhood homes.

Municipal government and others pitch in

CESTA has found a willing and eager partner in Suchitoto's current mayor. Aware of the environmental problems created by the dumping of the town's garbage in a nearby ravine, the mayor embraced CESTA's proposal to manage the collection and processing of Suchitoto's solid waste, estimated to be two and half tons per day. The municipality also is contributing resources by donating the land where the compost will be manufactured, building a storage facility at the site, and providing a garbage truck with driver to collect the organic waste.

Others also are contributing to the project activities. For example, the *Instituto Nacional de Suchitoto* (INSU) conducted a survey to measure the volume of garbage produced in Suchitoto's six neighborhoods, and found that 73 percent of all solid waste produced was organic. On a per capita basis, the volume of solid waste generated in the typical Suchitoto household was 0.34 kilograms per day. The results helped CESTA determine the compost processing facility area. CESTA also has gained support from the *Universidad Centroamericana* (UCA), which conducted a study on the marketability of organic fertilizer in the region. In addition, CESTA, along with municipal authorities, created the Suchitoto

Environmental Committee to sponsor a permanent educational campaign on environmental problems and their solutions.

Project benefits

- The health of La Cruz's population (estimated at 8,000) is improving. Prior to the start of the CESTA project, many of the La Cruz households disposed of their garbage by burning it, creating air pollution, or dumping it in front of their homes attracting rodents and other pests. Through its daily organic waste collection, CESTA has been able to reduce this problem in the La Cruz neighborhood.
- By the end of the project, about 75 percent of Suchitoto's garbage will be recycled.
- Compost produced from organic waste collected in La Cruz has been sold to local farmers and gardeners, generating funds for the waste management program.
- The success of the waste management program in the La Cruz neighborhood has facilitated the adoption of waste disposal practices in the Calvario and Santa Lucía neighborhoods. CESTA's experience is being replicated in other municipalities.



Inter-American Foundation grants help create new jobs and preserve others

As a result of IAF grants, 17,466 new jobs were created in Fiscal Year 1999. In addition, 3,660 jobs were improved or upgraded through better income or working conditions, and 6,736 jobs were saved that otherwise may have been eliminated. Mexico led the way with 11,318 jobs created in Fiscal Year 1999.

Grants in the Dominican Republic produced 2,325 jobs, followed by Brazil with 1,999 jobs (see table below). Brazil, however, had a higher number of jobs improved, reporting 2,386 jobs. In the number of jobs saved, Mexico grants headed the list with a total of 3,902. Not all active grants have an employment generation component, and some countries, such as Mexico, have more active grants than others.

Table 4. Jobs Created, Improved and Saved

Country	Jobs Created	Jobs Improved	Jobs Saved
Mexico	11,318	144	3,902
Dominican Republic	2,325	15	48
Brazil	1,999	2,386	1,272
El Salvador	537	112	134
Guatemala	527	204	149
Argentina	224	58	98
Venezuela	222	75	836
Peru	111	197	143
Panama	82	82	45
Haiti	54	380	6
Bolivia	44	0	0
Colombia	18	7	103
Paraguay	5	0	0
Total	17,466	3,660	6,736

Example 4. Partnership Increases Agricultural Employment and Expands Community Services in Jalisco, Mexico--The ACCEDDE Project

Acción Ciudadana para la Educación, la Democracia y el Desarrollo (ACCEDDE), a non-governmental organization, provides services in credit, training, and technical assistance to promote an integrated development program. The IAF was the only institution willing to support the expansion of ACCEDDE's innovative integrated development program. This project is located in six low-income rural municipalities outside the city of Guadalajara. These municipalities lack jobs and access to

traditional credit and loans from banks, and their residents do not complete elementary school nor have access to full health services. This IAF-supported project works with small-scale farmers to improve agricultural production and income and assists low-income communities and municipal governments to collaborate in planning and implementing development projects in rural towns in the state of Jalisco in Mexico.



(l. to r.) Prof. José Luis Rubio, mayor of Cuquío; Fidel Mora Mercado, manager of a small-scale farmers association; and Ignacio González Hernández, director of ACCEDE.

Low-income rural towns increased agricultural jobs and expanded community services through municipal partnerships

Beginning in July 1998, this IAF-supported project has increased jobs and incomes for small-scale farmers and expanded community services to rural municipalities in Jalisco. To increase production and income among small-scale farmers in six municipalities, the project channels credit to small-scale producer groups, supports storage warehouses, and provides training and technical assistance in administration, production techniques, sustainable agriculture, and available public and private resources. To expand community services in two municipalities, this project supports training and technical assistance to municipal officials and community leaders in strategic planning, citizen participation, project design, resource mobilization, and participatory municipal planning. Community and municipal partners then collaborate in selecting, planning, and implementing new development projects.

Partnerships increased agricultural production and expanded community services

Partnerships among the private, community, NGO, and municipal sectors have played key roles in agricultural production programs and community improvement projects that have been supported by this project in six rural municipalities surrounding the city of Guadalajara. Alliances between two banks--the *Banco de México* and BANSI--and ACCEDDE have channeled \$2.3 million to small-scale farmer organizations to support agricultural production in the six municipalities. In addition, the municipal governments of Cuquío and Mazamitla and their respective community participation organizations--such as the *Consejo Democrático Municipal de Cuquío* (CODEMUC), which represents all citizens within the municipality of Cuquío--have strengthened their innovative and effective partnerships to improve community services.

Rural towns accomplished outstanding results

Small-scale producer groups, community organizations, municipal leaders, and ACCEDDE collaborated and have accomplished outstanding results in rural municipalities in the state of Jalisco during the first year of this five-year project.



Corn at the OCIJ storage facility ready for bagging and selling. The IAF helped finance the adjacent indoor storage facility.

Among the results achieved are the following:

- Banks channeled \$2.3 million to support small-scale loans.
- 36 small-scale producer groups received loans.
- 1,550 small-scale farmers received small loans to increase their agricultural production and income in rural towns, such as Ameca, Cuquío, Ixtlahuacán, Mazamitla, Ocotlán and Tequila.
- 9,000 new jobs were created and 1,550 jobs were preserved.
- 4 new crop storage centers were established to produce higher crop prices.
- 43 training courses for small-scale farmer groups were conducted in administration and production techniques.
- 54 training courses for representatives of community organizations and municipal government offices were conducted on partnership-building, strategic planning, and community participation.
- CODEMUC conducted a municipality-wide participatory process that produced a master list of needed community improvements in the town of Cuquío.
- CODEMUC has begun conducting its annual participatory process to assess progress in 1999 and to develop a community improvement list for 2000.
- Separate three-day planning meetings in early 1999 in the municipalities of Cuquío and Mazamitla among community organizations and municipal government officials produced strategic plans for the development of their respective towns in 1999. Community and municipal leaders have begun preparing for these annual community-municipal planning processes to assess progress in 1999 and to develop strategic plans for 2000.
- Community organizations and municipal officials participated jointly in the planning and implementation of improvement projects that were undertaken by community organizations and municipal governments in 1999 in Cuquío and Mazamitla.

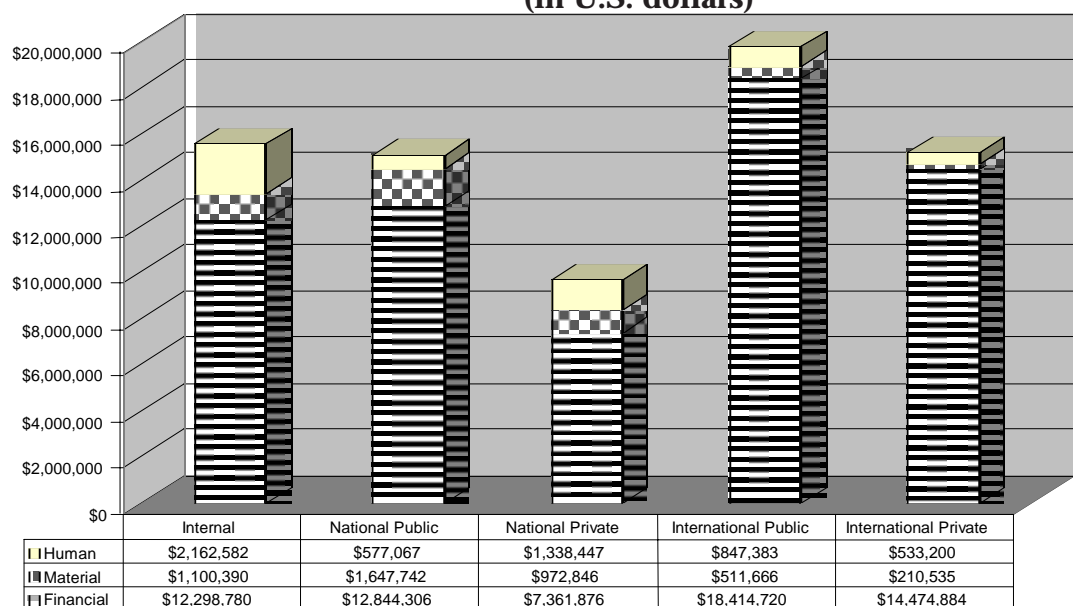
Groups mobilized or brokered resources to improve quality of life

Resources Mobilized. The resources mobilization indicator measures the capacity of the grantee to raise funds to cover its operating expenses and support grassroots development efforts beyond the IAF grant. The leveraged resources are financial, material, or human, and are derived from international, national, or local sources. Examples of mobilized international resources include funds from international donor agencies or loans negotiated with multilateral banks or organizations. National

resources include subsidies, loans, or contracts from public sector entities, and funds, goods, or services obtained from the private sector. Community resources include member dues, cash contributions, or volunteer labor. Internally generated resources are revenues from income-generating activities, goods, or services. Examples of in-kind resources mobilized include training, infrastructure, and technical assistance.

The figure below illustrates the amount and type of resources leveraged by grantees in Fiscal Year 1999 from internal, national, or international sources.

Figure 1. Resources Mobilized, 1999
(in U.S. dollars)



Grantees leveraged over \$75 million in human, material, and financial resources. Eighty percent of these funds were derived from national or international sources, and 20 percent were provided by grantees. Of the \$59.7 million leveraged from national and international, private and public, institutions, close to \$10 million were contributed by national private sources such as businesses and foundations. Slightly over \$15 million were provided by the national public sector. Financial support accounted for 87 percent of all contributions while material and human resource contributions made up six and seven percent, respectively.

Resources Brokered. Resources brokered refers to the amount of financial, material, or human resources leveraged by grantee organizations and directed to other organizations and community groups. Brokered resources are not part of the grantee's budget or accounting

system, and directly support grassroots programs and organizations. The following table illustrates the amount of resources in U.S. dollars, by source and type, negotiated and channeled by IAF grantees to grassroots organizations in Fiscal Year 1999. Of the total resources brokered, \$41 million, or 87.5 percent, was derived from international private sources and \$3.8 million, or little over 8 percent, came from national public sector sources. However, most of the resources brokered from international private sources were attributed to Mexico and El Salvador. Indeed, these two countries accounted for 99 percent of all private international resources leveraged in Fiscal Year 1999 by IAF grantees. The corresponding amounts were \$22 million for Mexico and \$18 million for El Salvador.

Example 5. *Fundación Solidaridad* in the Dominican Republic

Fundación Solidaridad, known locally as *Ayudémonos* (let us help one another), encourages greater contact between elected local authorities and the citizens of the municipality of Villa González, in Santiago province.

Ayudémonos is governed by a five-member board. Young professionals founded the organization in 1986 to increase both education and income levels of low-income people and to promote participatory democracy. The 30,000 residents of Villa González are largely low-income farmers (75%) who rely principally on tobacco sales for income.

***Ayudémonos* partners with the town council and the citizens of Villa González to achieve results**

Prior to the partnership, the municipality of Villa González had received requests from citizens for community projects and, due to financial limitations and a lack of means to determine priority needs, could meet almost none of the requests. At the commencement of a project funded by the IAF, community organizations and municipal authorities were trained to conduct a "needs assessment." Working with *Ayudémonos*, the town council invited citizens to Villa González's first assembly. Within the first two years of the

project, *Ayudémonos*' assistance enabled community members to build a working partnership. Not only have the municipal authorities and citizens learned to work together to accomplish goals, they have gained a new understanding of their strengths.



Ayudémonos staff discuss community survey results and prepare a presentation for the next community meeting. (Photo: *Fundación Solariddad*)

Specific achievements

200 community leaders acquired and applied skills in municipal management, event planning, proposal writing, and evaluation techniques.

- A municipal council was established and created a local development agenda.
- 3 communities with a total of 3,200 inhabitants have improved their roads, one community improved their school, and two communities gained access to electrical power. These projects were funded from various sources: the municipality contributed \$7,500, the communities provided \$20,500, the government electrical power agency donated \$5,000, and the private sector contributed \$4,500 (collected by the communities).
- *Ayudémonos* established working ties with 93 community groups and their municipal authorities in the province of Santiago. *Ayudémonos* participates with four local and national networks. Two hundred and fifty public sector organizations and two

local private organizations have adopted and applied the *Ayudémonos* methodology in their work.

- *Ayudémonos* mobilized \$31,600 for project activities from various sources (\$3,100 from the central government, \$1,500 from private businesses in Santiago's Duty Free Zone, and \$27,000 from the British International Cooperation and Development Agency).
- *Ayudémonos* brokered \$5,000 from a university for an organization to work towards its municipality's improvement.
- A monthly bulletin as well as a brochure promoting the project has been prepared and distributed locally and nationally.

- *Ayudémonos* strengthened its capacity to undertake projects with a community, beginning with needs identification to community members and authorities meeting those needs by working together. *Ayudémonos* subsequently has executed an agreement with the city of Santiago and with the local district of Canela to replicate the project on a larger scale. Finally, *Ayudémonos* has been selected by UNICEF and the Dominican Municipal League to organize training for municipalities in the Cibao region of the country.

An unexpected result was the decision by the municipality of Villa González to create a Community Affairs Department, and print a newsletter to keep residents informed of municipal activities.



The *Ayudémonos* project prompted a neighborhood to rename itself *Nueva Esperanza* (New Hope). The voucher at left is to raise funds for road improvements in the New Hope neighborhood.

Inter-American Foundation grantees replicate and disseminate grassroots development strategies

Dissemination refers to approaches, practices or techniques through presentations or products, which reach an audience beyond the project's intended beneficiaries. Products can include the publication of pamphlets and brochures, magazine and journal articles, books including instruction manuals, posters, and multi-media products such as films, videos, and audiotapes. In Fiscal Year 1999, IAF grantees published 1,748 books and 2,175 magazine and journal articles to disseminate methodologies, practices, and grants results to broad audiences.

Replication refers to the incorporation of new approaches to problems or new ways of relating to people based on grantees' experience. It can include new methodologies or techniques, or the revitalization of traditional technologies. Replication can also include the adoption of a successful community or service program and the scaling up of an experimental non-governmental organization (NGO) model. Incorporation of approaches may be by NGOs, government entities (local, regional, or national), or the private sector.

In Fiscal Year 1999, 858 organizations, or 293,615 individuals, adopted new methodologies or techniques. More than one-half were national organizations. Overall, 455 public agencies and 403 private organizations replicated IAF grantee methodologies.

The Inter-American Foundation and Private Sector Involvement in Grassroots Development

The IAF is committed to securing support for grassroots development in Latin America and the Caribbean from US-based and multinational corporations. The results obtained in Fiscal Year 1999 indicate that the IAF achieved its goals in this area. It established partnerships with nine multinational corporations, compared to the established goal of six. The goal to mobilize \$3.0 million in cash counterpart resources from multinational corporations to increase the resources available for grassroots development projects was 90 percent achieved. This goal was not reached fully due to the suspension of a memorandum of understanding of over \$2.0 million with the *Compañía Minera Antamina* (Antamina Mining Company) due to changes of the company's priorities.

Table 6. Replication and Dissemination of Practices
(in US dollars)

Organization	Local	Regional	National	International	Total
Public	102 O 17,335 B	20 O 108,839 B	312 O 39,962 B	21 O 1,977 B	455 O 168,113 B
Private	156 O 64,285 B	86 O 41,897 B	120 O 16,760 B	41 O 2,560 B	403 O 125,502 B
Total	258 O 81,620 B	106 O 150,736 B	432 O 56,722 B	62 O 4,537 B	858 O 293,615 B

Note: O = organizations; B = beneficiaries.

Table 6 (above) illustrates the number of organizations in Fiscal Year 1999 which replicated, adopted, or scaled up a methodology demonstrated by the grantee

organization and the number of direct beneficiaries, by type of entity (public or private) at each level (local, regional, national, or international).

Table 7. Contributions by Multinational Corporations
(in US dollars)

Multinational Corporations	Leveraged & committed
British Petroleum-Amoco	2,094,341
Levi Strauss	30,000
Dow Corning	48,000
FMC Corporation	48,000
AES Corporation	50,000
JP Morgan	220,000
Nitrógeno de Cantarell	100,000
Minnesota Mining & Manufacturing	50,000
Green Giant	15,000
Total	\$ 2,655,341

Table 7 illustrates corporations and resources leveraged for project funding in Fiscal Year 1999. British Petroleum-Amoco alone committed over \$2 million. These funds from multinational corporations are used to expand the financial resources for projects that improve the living conditions of poor people in Latin America and the Caribbean. The IAF supported five projects with these funds. Table 8 (below) illustrates the funds allocated by

from the Levi Strauss Foundation to support a project that will provide training, credit, and marketing assistance to some 3,000 indigenous women in Mexico (grant ME-430). In Brazil, the IAF, Dow Corning, FMC Corporation, and eight Brazilian and multinational corporations are co-funding a basic education program to improve the mathematic and literacy skills of 3,000 low-income children (grant BR-775). Green Giant provided \$15,000 as counterpart

Table 8. IAF Grants with Multinational Corporation's Support
(in US dollars)

Country/project	IAF Funds	Corporation Funds
Venezuela (VZ-168)	279,007	1,194,341
Mexico (ME-430)	194,010	30,000
Brazil (BR-775)	300,000	96,000
Mexico (ME-433)	415,000	15,000
Total		\$1,335,341

project. For example, in Venezuela both the IAF and the British Petroleum-Amoco Corporation are currently co-funding a foundation to provide training and technical assistance in health, basic education, and income-generation opportunities among indigenous communities in the Orinoco Delta of Venezuela. Over a three-year period, starting in 1999, BP-Amoco will invest \$2.1 million in support of this effort, and the IAF will invest \$1.0 million (grant VZ-168). The IAF itself received a direct grant of \$30,000

funds for a local development project in the municipality of Irapuato, Mexico (grant ME-433). Following are a few examples of projects funded with resources mobilized in Fiscal Year 1999 from multinational corporations. In the future, the IAF will present concrete results of projects funded in collaboration with US-based and multinational corporations.

Example 6. The *Fundación Juan Diego* (FJD)/*FinComún* Project: Strengthening Micro-Businesses of Low-Income Families in Mexico City

The *Fundación Juan Diego* (FJD)/*FinComún* project is an example of the kind of grassroots development initiative supported by the IAF that widely benefits the poorest and forgotten communities. With small loans and resources leveraged from Mexican and US corporations, FJD has established an alternative banking institution for under-served people and their micro-businesses, especially women with no access to traditional banking services.

Small loans strengthen micro-businesses

Fundación Juan Diego, a non-governmental organization governed by a nineteen-member board of directors from educational, legal and financial institutions, as well as non-governmental organizations, created *FinComún* (Community Financial Services) as a savings and loan institution to provide credit to micro-entrepreneurs with no access to credit and loans from commercial banks. *FinComún*'s mission is to expand savings accounts of depositors (who are not eligible to receive loans) and to use increased deposits to expand loans to low-income entrepreneurs.

With IAF funds, *FinComún* operates in the Delegación Iztapalapa, one of the poorest areas in Mexico City, where 90 percent of the population lives in poverty. Annual family income ranges from \$1,800 to \$3,600, and less than 54 percent of all children finish elementary school.

Partnering with national and U.S. corporations

FinComún has mobilized resources to expand its mission of providing credit to micro-entrepreneurs. Key alliances have been



Petra Rodríguez Guerrero, recipient of an \$800 loan for her fruit and vegetable stand.

established with Mexican private sector entities and U.S. corporations. For example, Bankers Trust and J.P. Morgan are contributing \$93,000 to support *FinComún*'s operations and equipment. Mexican businesses such as INTELSYS of Mexico has provided \$398,046 and made substantial in-kind contributions for equipment, training, and technical assistance. Mexican corporations have established accounts with *FinComún*, and their officers have opened personal accounts as well as served on *FinComún*'s governing committee.

FinComún achieved an impressive record

During 1999, the project's first year, *FinComún* achieved an impressive record:

- 1,362 micro-entrepreneurs and their families, with an average annual household income of \$2,000, received loans averaging \$750 for small commercial activities ranging from fruit and vegetable stands to seamstress shops and grocery convenience stores.
- 2,678 small loans totaling \$1.2 million channeled to low-income families.
- 52 percent of loans awarded to low-income women.
- \$636,000 mobilized for project activities, including \$398,046 from the Mexican private sector, \$216,670 from Fundación Juan Diego, and \$21,285 from FinComún's financial operations. These funds are in addition to the IAF grant.
- 5,373 individual depositors with accumulated balances in their accounts exceeding \$500,000 used in part to fund small-scale enterprises in the barrios.
- Six new branch offices, fully equipped, opened.
- Twenty-two new staff members hired and trained in management, banking, loan administration, and accounting practices.



FinComún's branch office in Delegación Iztapalapa.

- Loan default rate of 1%, lowest in FinComún's history.

Thus far, the project has improved the quality of life of its beneficiaries and their communities in important ways. Self-esteem and confidence by women owners of small businesses have increased to unprecedented levels according to their own testimony. Women's knowledge that they are permanent contributors to household income, or have the resources to buy school supplies and other necessities for their children, signify immense intangible rewards for them. These low-income families now have both a savings institution where their money can earn market-level interest rates and a lending institution where they can obtain loans for their businesses.

WHAT ESSENTIAL LESSONS HAVE BEEN REAFFIRMED BY THE FISCAL YEAR 1999 RESULTS?

Data collection on concrete outputs and outcomes from IAF-supported projects is essential in meeting GPRA reporting requirements and for studying trends and other factors related to project success. The effectiveness of the results data system is closely tied to participation of all stakeholders during pre-grant negotiations and early project implementation. By participating in the process of selecting grant indicators and collecting grant data, grantees learn how to monitor their grants effectively, incorporate results into decision-making, and make project adjustments necessary to achieve milestones.

Country context and outside events affect grant results. Consequently, it is important to document factors, external to grantees and beneficiaries, that facilitate or impede the successful evolution of the project. Economic fluctuations (inflation, currency devaluation, banking system problems, negative growth rates), natural disasters (floods, hurricanes, earthquakes), and political events (elections, armed conflicts, abrupt policy changes) affect the success of the projects. In the future, these contextual realities will be documented systematically in the grant results database.

The participation and potential contribution of the private sector in grassroots development is an approach the IAF is pursuing. Experience to date in establishing partnerships with local, national and international

businesses needs to be studied and the findings need to be incorporated into the IAF methodology of corporate partnership. The IAF will continue its work with private business to spread the Foundation's fundamental mission: helping poor people in Latin America and the Caribbean by supporting small-scale grassroots initiatives sponsored by community-based organizations or by grassroots support organizations. The IAF will continue enabling communities to work in partnership with public and private sector entities and mobilizing local, national, and international resources to improve the quality of life of the poorest people in Latin America and the Caribbean.

The IAF will enhance its knowledge about the sustainability of grassroots endeavors. The factors that determine their success or failure will be studied more systematically. Lessons learned and findings will be further incorporated in grant-making programs to enhance the probabilities that projects selected for support are successful and sustainable over time.



